GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2508
ANSWERED ON:14.03.2006
FDI IN WHOLESALE TRADING
Panda Shri Prabodh

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has drawn up a proposal to allow 100 per cent FDI through the automatic route in wholesale trading;

(b) if so, the details thereof and the reasons therefor;

(c) whether this process will generate employment in the country; and

(d) if not, the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): With a view to improve the investment climate and to rationalise the Foreign Direct Investment (FDI) Policy, Government has recently notified several policy rationalisation measures which, inter-alia, included allowing FDI up to 100% under the automatic route for wholesale cash and carry trading. Prior to this, FDI up to 100% was permitted in wholesale cash & carry trading with prior Government approval.

(c) & (d): FDI complements and supplements domestic investment and leads to additional employment opportunities.